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Letter dated 13 February 2001 from the Secretary-General addressed to the President of the Security Council

I have the honour to inform you and, through you, the members of the Security Council, that, pursuant to paragraph 8 (a) (ii) of Security Council resolution 986 (1995), the Government of Iraq has submitted to me its distribution plan for the purchase of humanitarian supplies during the new period specified in paragraph 1 of resolution 1330 (2000). The Government of Iraq was informed today that I have approved the plan on the understanding that its implementation would be governed by resolutions 986 (1995), 1281 (1999), 1284 (1999), 1302 (2000), 1330 (2000) and the memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq (S/1996/356), without prejudice to the procedures followed by the Security Council Committee established by resolution 661 (1990).

A copy of the list of supplies and goods accompanying the distribution plan will be made available to the Security Council Committee. The list has been reviewed by experts of the joint unit established by resolution 1051 (1996), who have concluded that, on the basis of the information given in the annexes, no items have been identified which would be prohibited under the plans for ongoing monitoring and verification, or under Security Council resolution 707 (1991). They have also concluded that the necessarily general nature of the description of many items in the annexes to the plan renders it impossible to determine definitively whether or not an item is notifiable under the provisions of resolution 1051 (1996). They will keep the matter under review and provide a further assessment in the light of additional information that may become available in applications submitted to the Security Council Committee.

The distribution plan (see annexes II and III) and the letter dated 13 February 2001 from the Executive Director of the Iraq Programme addressed to the Permanent Representative of Iraq to the United Nations, conveying my acceptance of the plan (see annex I), are attached.

(*Signed*) Kofi A. **Annan**

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Annex I

Letter dated 13 February 2001 from the Executive Director of the Iraq Programme addressed to the Permanent Representative of Iraq to the United Nations

[Original: English]

On behalf of the Secretary-General, I have the honour to acknowledge receipt, under cover of the letter dated 4 February 2001 addressed to the Secretary-General from the Chargé d'affaires of the Permanent Mission of Iraq to the United Nations (see annex II), of the distribution plan (see annex III) submitted by your Government for the new period specified in paragraph 1 of Security Council resolution 1330 (2000) of 5 December 2000, together with the annexes to the distribution plan received from the Ministry of Foreign Affairs of the Republic of Iraq, through the Office of the United Nations Humanitarian Coordinator in Iraq, and would like to inform you that I have been authorized by the Secretary-General to convey in this respect the following.

In resolutions 986 (1995) of 14 April 1995 and 1330 (2000) of 5 December 2000, the Security Council requires that the Government of Iraq guarantee, on the basis of a plan to be submitted to and approved by the Secretary-General, equitable distribution of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs (humanitarian supplies) exported to Iraq under the conditions defined by those resolutions. The memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq (S/1996/356) provides that the Government of Iraq shall prepare a distribution plan describing in detail the procedures to be followed by the competent authorities with a view to ensuring the equitable distribution of humanitarian supplies and submit the plan to the Secretary-General for approval. The memorandum states in this regard that if the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

I have the honour to inform the Government of Iraq through you that, having examined the distribution plan, the Secretary-General has come to the conclusion that the plan, if properly implemented, should meet the requirements of equitable distribution of humanitarian supplies to the Iraqi population throughout the country. The plan is therefore approved with the following understandings.

By paragraph 15 of Security Council resolution 1284 (1999) of 17 December 1999, the Government of Iraq has been authorized to export unlimited amounts of oil and to import, under relevant resolutions of the Council, a wide range of goods to meet the humanitarian needs of its population and to rehabilitate its civilian infrastructure. As stated by the Secretary-General, now that increased revenues are available for the implementation of the programme, the Government of Iraq is in a position to reduce current malnutrition levels and improve the health status of the Iraqi people (S/2000/520, para. 96). This can be achieved by allocating the necessary funding level in the food and health sectors as well as by ensuring the timely contracting of all supplies in quantities sufficient to meet the requirements and targets set forth in the distribution plan, in particular those contained in the supplementary report of the Secretary-General (S/1998/90). It is also necessary to improve distribution systems in the food, nutrition and health sectors.

It is a matter of grave concern, however, that irrespective of the increased level of funding for different sectors contained in previous distribution plans, in particular for phase VIII, there are inordinate delays in contracting and submission of applications for the supplies urgently required to meet the humanitarian needs. Accordingly, I wish to reiterate the repeated recommendations made by the Secretary-General that the Government of Iraq expedite its contracting process and ensure the submission of applications to the Secretariat most expeditiously.

The caloric target of 2,472 kilocalories per person per day and financial allocation for the food basket as indicated in table 1 is welcome and is in line with the Secretary-General's recommendation in his supplementary report to the Security Council (S/1998/90) that a food basket of 2,463 kilocalories per person per day country-wide be provided under the programme. It is essential, however, to keep under constant review the funding level of food contracts in order to ensure that the target for the food basket is funded in full, thereby enabling the distribution of the enhanced, and full, food basket on a regular basis.

In order to improve expeditiously the nutritional status of children, the implementation of the targeted nutrition programme should be expedited most urgently and the funding level should be kept under constant review in order to ensure the availability of adequate supplies, ware-housing, transportation and related infrastructure. While it is acknowledged that in the proposed distribution plan, in addition to the $6 million allocated, there are a number of allocations made for certain items, under different sectors, which are interrelated and have a direct bearing on the implementation of the targeted nutrition programme, it should be noted that neither the financial allocation nor the range of items related to infrastructure are commensurate with the scale of the existing programme and the need for its expansion to ensure that it reaches the full caseload. During the previous phases of the programme, the targeted nutrition programme has also suffered from very long delays in contracting the supplies required.

Accordingly, in view of the grave concerns expressed by all parties, including the Government of Iraq, regarding the nutritional status of children, it is recommended that the Government of Iraq clarify how the relatively limited resources allocated in the distribution plan would satisfy the Government's objectives in improving the nutritional status of children.

It may be recalled that in paragraph 12 of its resolution 1330 (2000), the Security Council decided, inter alia, that the funds deposited in the escrow account established by resolution 986 (1995) to be transferred to the Compensation Fund in phase IX shall be 25 per cent, instead of 30 per cent, and that the additional funds resulting from this decision will be deposited into the account established under paragraph 8 (a) of resolution 986 (1995) to be used for strictly humanitarian projects "to address the needs of the most vulnerable groups in Iraq as referred to in paragraph 126 of the report of the Secretary-General (S/2000/1132)". Accordingly, the inclusion of part ten (Special allocation requirements) in response to paragraph 12 of resolution 1330 (2000) is welcome. In this regard, at the informal discussions held in Baghdad between the technical ministries of the Government of Iraq and United Nations agencies and programmes, a range of relevant activities have already been identified. It is therefore recommended that these discussions be continued in order to further clarify the list of specific humanitarian projects intended to address the needs of the groups referred to in paragraph 126 of the above-mentioned report

of the Secretary-General. Such an approach should assist the Security Council Committee established by resolution 661 (1990) in expediting approval of applications for supplies related to projects pursuant to paragraph 12 of resolution 1330 (2000).

A copy of the list of supplies and goods accompanying the distribution plan will be made available to the Security Council Committee. The list will also be posted on the web site of the Office of the Iraq Programme, together with the distribution plan, in order to provide information to all concerned, including potential suppliers. I should like to inform you, however, that the Secretary-General's approval of the plan does not constitute an endorsement of the specific items for equipment and supplies contained in the annexes to the plan. Having reviewed the categorized list of proposed supplies and goods to be purchased and imported under the plan, it is necessary to seek, without prejudice to the merits of the stated requirements, additional information and/or clarification regarding a limited number of items in order to establish their relevance to the programme and, where applicable, to avoid unnecessary delays in processing related applications and amendments. Such items include, for example, equipment and supplies related to a "banknote production line", which were not approved previously by the Security Council Committee, as well as requirements for civil aviation, including the purchase of two aircraft. In this regard, I wish to inform you that the materials and supplies at issue could be added to the categorized list only following consultations with the Security Council Committee. This will be communicated to the appropriate Iraqi authorities in due course. However, should applications be submitted for such items, the Office of the Iraq Programme would seek guidance from the Security Council Committee.

Amendments to the plan, where appropriate, should meet the requirements outlined in paragraph 5 of resolution 1153 (1998). It is recognized that in certain sectors not all the information required under paragraph 5 of that resolution could be provided in the plan at this stage because of the complexity of the activities and the range of items to be procured. Accordingly, the Government of Iraq as well as the United Nations agencies and programmes should take all necessary steps to ensure that applications submitted to the United Nations Secretariat will indicate priority and complementarity in compliance with paragraph 5 of resolution 1153 (1998).

The approval of the distribution plan is subject to the condition that its implementation is governed by the relevant provisions of Security Council resolutions 986 (1995), 1281 (1999), 1284 (1999), 1302 (2000), 1330 (2000) and the memorandum of understanding (S/1996/356) and that, in case of inconsistency between the particular provisions of the plan on the one hand and the resolutions and the memorandum of understanding on the other, the provisions of the latter documents shall prevail.

Furthermore, the approval of the plan is without prejudice to actions that might be taken by the Security Council Committee regarding applications for export of particular items contained in the list submitted for the Committee's consideration in accordance with its procedures.

The joint unit established by resolution 1051 (1996) will continue to review the categorized list in the light of additional information that may become available for the purposes of identifying items that are covered under the relevant provisions

of that resolution, because of their possible dual use for civilian and prohibited purposes under resolution 687 (1991) of 3 April 1991 and other relevant resolutions.

Taking into account paragraph 7 of resolution 1330 (2000) and in accordance with paragraph 2 of resolution 1175 (1998) and paragraph 18 of resolution 1284 (1999), the Secretary-General, in consultation with the Government of Iraq, will submit to the Security Council Committee a detailed and project-based list of oil spare parts and equipment.

The Secretary-General welcomes the statement contained in paragraph 18 of the distribution plan, which reads as follows:

> "The Government of Iraq confirms its willingness to cooperate fully with the Programme and to allow it to observe throughout the country the equitable distribution of humanitarian supplies imported under this distribution plan. To this end, the United Nations personnel working in the Programme will enjoy unrestricted movement in connection with the performance of their functions and the possibility of receiving what facilitates their functions in accordance with paragraph 44 of the memorandum of understanding."

Accordingly, pursuant to paragraph 44 of the memorandum of understanding, it is essential that United Nations observers and oil spare parts monitors enjoy unrestricted movement throughout Iraq in order to fulfil their responsibilities in carrying out end-use and end-user observation and monitoring of all supplies delivered to Iraq under the programme, including those supplies which have been approved or released from hold by the Security Council Committee, with the specific requirement of end-use/user observation/monitoring and reporting.

In connection with the above, I should also like to draw your attention to section VIII of the memorandum of understanding (S/1996/356), concerning privileges and immunities, in particular to paragraph 46, whereby United Nations officials, experts and other personnel performing contractual services for the United Nations "shall have the right of unimpeded entry into and exit from Iraq and shall be issued visas by the Iraqi authorities promptly and free of charge". I very much regret to have to state that lately the United Nations has been experiencing some serious delays in the issuance of visas to United Nations personnel. Such delays have been affecting adversely the effective implementation of the programme, in addition to financial losses to the programme while United Nations personnel wait for their visas to enter Iraq. It is therefore recommended that the Government of Iraq review its procedures in that regard and issue "promptly" the necessary visas, in conformity with the letter and spirit of the relevant provisions of the memorandum of understanding.

With regard to the annex to the distribution plan covering the requirements of the Palestinian people, the proposal made by the Government of Iraq is before the Security Council. A decision in that regard remains within the purview of the Security Council. It may be recalled that at the informal consultations held by the Security Council, on 22 January 2001, the Chairman of the Security Council Committee noted that the Committee had met twice to consider Iraq's request that "oil-for-food" funds be made available to assist the Palestinian people (S/2000/1119 and S/2000/1174) but had been unable to reach a consensus on that request.

I should like to underline that the approval of the distribution plan submitted by the Government of Iraq does not necessarily constitute an endorsement of all

information or statements contained in the plan, and is without prejudice to any recommendation arising from the supplementary report of the Secretary-General (S/1998/90), as endorsed by the Security Council in its resolution 1153 (1998).

In conclusion, I should like to state that, with increased funding available for the programme, it is essential to review the cumbersome and time-consuming process of the preparation of the distribution plan and its annexes with a view to submitting the plan in a more timely manner. It is also essential to prepare a more targeted and result-oriented plan, with a clear statement of objectives to be achieved during a given phase, including benchmarks, which would improve the evaluation of performance, achievements and effectiveness of the programme. Accordingly, it is recommended that the Joint Consultative Committee meet on a regular basis to review not only the preparation of the distribution plan but (and this is equally essential) the effective implementation of the plan in order to take, as appropriate, the necessary measures and make the necessary adjustments to attain the objectives set forth in the plan. The multitude of amendments submitted to previous distribution plans is indicative of their shortcomings and underscores the need for such regular reviews.

(*Signed*) Benon V. **Sevan**
Executive Director

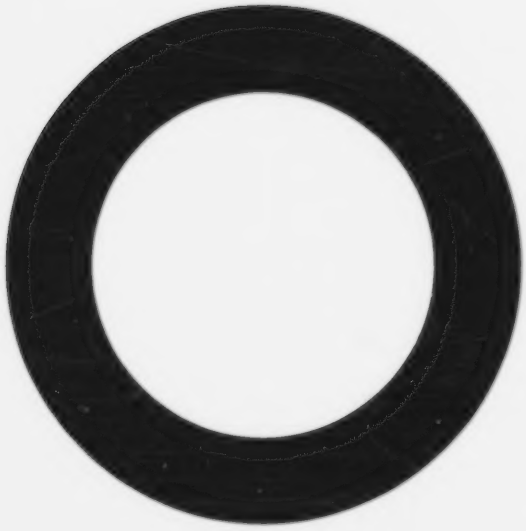
Annex II

Letter dated 4 February 2001 from the Chargé d'affaires a.i. of the Permanent Mission of Iraq to the United Nations addressed to the Secretary-General

[Original: Arabic]

On instructions from my Government, I have the honour to transmit to you herewith the procurement and distribution plan for phase IX (see annex III) that is being submitted by the Government of the Republic of Iraq in accordance with the memorandum of understanding of 20 May 1996 and Security Council resolution 1330 (2000), together with an annex covering the requirements of the Palestinian people. My Government would appreciate their speedy approval.

(*Signed*) Mohammed **Al-Humaimidi**
Chargé d'affaires a.i.



Annex III

[Original: English]

Distribution Plan Submitted by the Government of Iraq to the UN Secretary-General in accordance with the Memorandum of Understanding of 20 May 1996 Resolution 1330 (2000)

EXECUTIVE SUMMARY

1. The present Distribution Plan has been prepared in accordance with Section 2 of the Memorandum of Understanding between the Government of Iraq and the UN Secretariat, (referred to herein after as the "MOU"), signed on 20 May 1996 for the purchase and distribution of food, medicine, medical supplies and equipment and other supplies necessary for the essential civilian needs to help alleviate the hardships suffered by the people of Iraq. The plan constitutes an important element in the implementation of SCR 1330 (2001) and the Secretary-General's report of 29 November 2000 (S/2000/1132). It includes a classified list of supplies and goods to be purchased and imported by Iraq for this purpose.

2. For the three northern Iraqi governorates, namely Dohuk, Erbil and Suleimaniyah, the procurement and distribution of essential civilian humanitarian supplies as well as rehabilitation activities will be the responsibility of the United Nations Inter-Agency Humanitarian Programme, (hereinafter "the Programme",) in accordance with paragraph 20 of the MOU and paragraphs 3 and 6 of its Annex I. In accordance with paragraph 2 of Annex I of the MOU, the humanitarian requirements of the three northern governorates in the Distribution Plan, (hereinafter "the Plan") were identified by the Programme, taking into consideration all relevant circumstances in the three northern governorates and in the rest of the country, in order to ensure equitable distribution. These requirements were discussed with the Government of Iraq and incorporated in the Plan.

3. A total amount of US $ 5,361.12 million shall be available to meet the humanitarian needs of the people of Iraq, plus spare parts and equipment for the Iraqi oil industry. The Plan allocates US $ 1275 million for food sector and US $ 209.33 million for food supporting and handling supplies sub-sector. The general food basket provides 2,472 kilo-calories and protein, especially animal protein (as dried whole milk and/or cheese) which will contribute 8.4% of total protein, and as reflected (in table below). The inclusion of weaning Cereal for infants fills an important nutritional need. An amount of approximately US $ 40 Million from the allocation to the food sector will be used to import raw materials for processing of vegetable oil, soap, and detergent, implementation of which would be under the food handling sector.

General rations	Plan IX
Calories (Kcal)	2472
Protein-non-animal	51.70
Protein-animal	8.50
Total protein	60.20
Infants	Plan IX
Calories (Kcal)	696
Protein	19.7

4. Fortification of vegetable oil with Vitamin A will help reduce the proven public health problem of this deficiency. Fortification of salt with iodine will continue as before, to reduce the problem of Iodine deficiency disorders, known to be prevalent throughout Iraq. The distribution of food will be carried out within the existing framework according to the ration system currently applied, which is described in the previous distribution plans.

5. The Plan allocates US $ 209.33 million for the food handling sector for spare parts and equipment, pursuant to the activities of storage and transportation of foodstuffs and grain milling as well as delivering them to consumers in conformity with the quantities of goods imported, in accordance with the MOU.

6. US $ 300 million is allocated to the Medical Services sector, 50% of which is for the import of equipment and required items for the rehabilitation of different equipment in Hospitals and Health Centres, while the other 50% is for the import of medicine and medical supplies . It should be noted that all Iraqi citizens, Arab and foreign residents have access to public health services. Medicine for chronic diseases will be the first priority among others. Spare parts will be purchased to repair service equipment, such as air-conditioning equipment and hospital elevators throughout the country. Subject to the provisions of the MOU relating to the three northern governorates, health commodities will reach the beneficiaries through hospitals and primary health care centres using the existing distribution system. The Plan allocates US $ 40 million for the three northern governorates, for medicines and medical supplies (Bulk Purchase). In addition, US $ 100.73 million is allocated for the rehabilitation of hospitals and health infrastructure in the three northern governorates.

7. US $ 6 million is allocated for supplemental nutrition support for pregnant and lactating mothers, by providing high protein biscuits and Theuraputic Milk, which will be distributed on a monthly basis to pregnant mothers in their last trimester, to lactating mothers for three months after birth, and malnourished children through Community Child Care Units/MOH in Iraq. Micro-nutrients, (Iron and multi-vitamins), will be distributed to pregnant and lactating mothers through MCH centres. With roughly 50,000 births per month, the funds allocated for this distribution plan are sufficient to provide the additional caloric requirements for pregnant and lactating mothers.

8. The conditions of potable water and sanitation systems remain critical throughout Iraq. Rehabilitation requirements are estimated over US $ 700 million, in addition US $ 150 million to complete the unfinished project to serve 1.8 million inhabitants residing in Baghdad and other governerates . The garbage collection had been neglected due to the shortage of funds and the sector needs US $ 30 million to purchase spare parts and new equipment. However, due to limited funds, the Plan allocates US $ 401.98 million, of which US $ 60 million for Baghdad serving about 6 million people in the city and its surrounding districts. US $ 341.98 million to be provided for the rehabilitation of water and sanitation facilities in the remaining governorates, including US $ 79.48 million for the rehabilitation of water and sanitation facilities in the three northern governorates. Deterioration in this sector continues as referred to in the UN Secretary-General's report of 29 November 2000 (S/2000/1132). The report pointed out that the situation requires greater attention in this sector, which has a serious impact on public health, environment and population, especially children, women and the elderly. Equipment will be imported to

rehabilitate potable water and sanitation facilities in Baghdad and other governorates.

9. As a result of the destruction inflicted on the electricity sector and the lack of spare parts and equipment for maintenance, the condition of the network has severely deteriorated resulting in frequent and prolonged power cuts to the consumers, including essential services such as hospitals, water treatment and sewage plants, wheat mills, irrigation and drainage pump stations, schools, universities and fuel stations. Although, the total allocation under previous phases increased substantially, the network continues to deteriorate for two main reasons: the scale of inputs received is significantly low in comparison with actual needs, and the large number of contracts on hold. The report of the UN Secretary General in March 2000 (S/2000/208) refers to this situation. This was compounded by a severe regional drought in the last two consecutive years, which has reduced the power generation from hydro units by more than 300 MW. The deficit in power was 1600 MW, 1700 MW and 1800 MW in the years 1997, 1998 and 1999 respectively, and the corresponding load demand was 5300 MW, 5500 MW and 5700 MW respectively. During a country wide load survey in Aug'1999, the load demand was 6200MW and the deficit in power based on the load demand was 2300 MW. In year 2000 , During August the load demand recorded was 6120 MW , the deficit in power was 2402 MW . From the figures it is evident that the power generation deficit has been steadily increasing, as the power generation is not commensurate with the load demand. The details of installed capacity, available capacity, load demand and deficit in power are shown Annex-I/ Electricity. One measure that would remedy the present situation is the immediate approval of the large number of contracts presently on hold. However, the impact of current measures can be realized only after at least one year owing to long lead-times required for manufacturing the electrical system equipment and spare parts. The investment required to rehabilitate the electricity sector is beyond the allocation indicated in this Distribution Plan; however, to address minimum requirements, this Plan allocates US$ 582.5 million for this sector. Within this allocation, US $ 102,5 million has been earmarked for the three northern governorates. The allocation for the northern governorates is essential to continue the rehabilitation of the distribution network, funds for reconnection of Erbil and Suleimaniyah governorates to the National grid, and to plan mini and micro power generation units in the region.

10. The Agricultural sector continues to suffer from the continuous deterioration of basic infrastructure and supporting public services, as well as serious shortages of agricultural machinery and basic inputs. The situation is further aggravated by the severe drought during the winter cropping seasons of 1998-1999 and 1999-2000 and still affecting Iraq.

A 50-96 percent drop in rainfall during winter 1998/99 and 1999/2000 has caused complete failure in germination of 70% of the rain-fed areas and low yields are anticipated in the remaining 30%. The irrigation sector was drastically affected, as the flows in the two main rivers are the lowest since 1930. This is compounded by the lowering of water tables leading to drying up of irrigation wells, thereby further reducing available water for summer crop irrigation.

The adopted approach for the sector considered the interrelation of the various production factors as well as the emerged needs as a result of the drought.

The vital role of the Agricultural sector is enhancing the availability of locally produced food items, mainly animal protein, vegetables, fruits and other oil seed crops. The Plan intends to address the basic needs for veterinary infrastructure rehabilitation, and upgrading of the veterinary service capacity to respond to epidemic diseases. The plan also considered needed resources to sustain the GOI poultry programme. Expansion in fish production as well as the enhancement of dairy production have been addressed within the available meager resources.

The sector will receive US $521.69 million to respond to urgent needs. Of that amount, US $171 million is allocated to the irrigation sector (Center and South) to address part of the water resources rehabilitation and project construction needs, and to partially secure needed equipment and spare parts.

Of the balance, US $260.95 million is designated to agricultural production, including poultry production, in the central and south and US $89.74 million has been allocated to the agricultural and irrigation sub sectors in the three northern governorates of Iraq. The Plan has focused on the enhancement of domestic food production in order to contribute towards improving the diet of the population as this concerns both quantity and quality, in particular micro-nutrients, vitamins and animal protein. The proposed activities cover the provision, of the basic inputs for vegetable, fruit and animal production. These include inputs needed for soil preparation, irrigation, fertilizer, plant protection chemicals, and drugs for the control of animal diseases.

Identified drought related input will be submitted with the plan, in order to facilitate expeditious approval and funding as it is of high priority in this emergency situation.

11. Primary, Secondary and Higher Education sectors are in need of major rehabilitation work. The effects are clear on schools and other educational facilities; there are 5000 damaged school buildings. In addition to the increase the density of pupils in each classroom, there is a severe shortage of desks, where more than one pupil shares one desk. There is also severe shortage of books, whereby there is an actual need for preparing more than 50 million books annually. Due to a lack of, printing materials, spare parts and paper, the printing facilities of the Ministry of Education have stopped. All schools suffer from severe shortages of laboratories, aid and training materials. Besides of all the above mentioned difficulties, the sector is suffering severely from shortage of transportation . This undermines teachers and student rehabilitation and training. Higher education and public education have been also affected by the shortage of books and materials required by scientific departments of Iraqi universities. The needs of higher education for laboratory equipment required for students in medicine, pharmacy, and agriculture will be provided. Other general needs, such as reference books, spare parts for laboratory equipment, photocopiers and educational supplies will be made available as stressed by the UN Secretary-General's report of 29 November 2000 (S/2000/1132). This sector will receive US $ 248.28 million, out of this amount US $ 153.02 million will be provided for primary education of which US $ 62.02 million is allocated for the three northern governorates. For Higher education this plan allocates US $ 130.38 million of which US $ 57.88 million for higher education in the three northern governorates.

12. The Housing Sector is aimed at those who require immediate new housing and to support their permanent settlement in appropriate places, and assisting population in cities and towns to ensure better housing conditions. A total funding of US $ 342 million is allocated to this sector. For the three northern governorates the Programme aims through the provision of consolidated packages of services to support the areas of: a) rural village resettlement; b) rehabilitation of resettled towns and villages; c) infrastructure and services; and d) provision of basic relief items, such as tents and blankets. A total funding of US $ 82 million is allocated for the Settlement Rehabilitation for the three northern governorates.

13. Landmines in the three northern Governorates continue to claim the lives of many people. An estimated 20% of the arable land of the region cannot be cultivated because of land mines. The implementation of humanitarian Programme, including resettlement, is also being severely hampered by lack of access to significant areas. The Programme aims at clearing mines in areas close to rural communities, economic activities, electricity transmission and distribution lines and resettlement towns. Training, mine awareness and establishment and expansion of prosthesis centres are also among the priority activities. The current Plan allocates US $ 10 million for the required activities in this sector.

14. The present condition of telecommunications and transportation throughout Iraq, including the three northern governorates, is extremely poor and requires immediate attention. A viable system of communications is integral to the life of the community and the successful implementation of the "Oil-for-Food" Programme, including distribution of food and medicines in a more effective manner. Communication inputs, including telephone systems have been introduced, which are essential for information flow among service providers, for health education to communication and households, for coordination of sectors like food, agriculture, education, cultural, emergency health services, and environment. Due to the limited amount of funds, US $ 440.40 million have been allocated, of which US $ 60 million is allocated for the three northern governorates. The basic needs are reflected in the attachments.

15. The increasing need for humanitarian assistance in the central and southern governorates, particularly to the most needy groups in the society and the lack of sufficient resources to support essential activities such as repair of basic infrastructures, amelioration of public health services, improvement of water and sanitation programmes manifests the need for special allocations that address exigencies in these areas.

Since the start of humanitarian program, it has become increasingly apparent that available funds have been inadequate to provide for all the humanitarian requirements. Therefore, the provision of additional resources in a targeted manner would be most effective in addressing the specific requirements of most needy segments of the population.

An allocation of US $ 387.87 million has been made available under the distribution plan to cover some essential needs including improvement of dwellings, access to potable water, access of water in remote areas, provision of sanitation facilities and amelioration of the sewerage systems.

The required activities in those areas are elaborated in Part Ten of this Plan.

16. In the oil sector, the needs and requirements should cover the requirements of maintenance, rehabilitation and upgrading of equipment and systems used in all sector of the oil industry as well as the implementation of projects related to the development of existing and new oil fields in order to compensate for the depletion in oil available for export and prevent further deterioration in oil production in addition to achieving possible increase of production and increased reliability of production and export systems and equipment. In addition to that, it is essential to sustain the safe operations of the existing refineries with acceptable standards of efficiency, safety and environmental protection, to provide various oil products for local consumption and distribution including the transport of the fuel needed to operate the electricity generating plants in the country.

Hence, a $ (370) million dollars has been allocated for upstream sector, $ (225) million dollars for the downstream sector and $ (5) million dollars for Oil Training Institutes to provide the minimum and critical requirements for each of them. This makes the total requirements of the oil sector $ (600) million, as stipulated by para (7) of resolution UNSC 1330/2000.

17. The humanitarian needs of the population of Iraq are enormous due to the cumulative deterioration of living and environmental conditions during the years of embargo. The humanitarian situation and the goods to be imported for all sectors have been reviewed in accordance with paragraphs 4 and 11 of resolution 986 and by the successive reports of the UN Secretary-General. The report clearly pointed out that the various sectors mentioned in the above paragraphs still suffer from shortage of basic needs despite the implementation of the distribution plan. There still remain needs for humanitarian supplies.

18. The Government of Iraq confirms its willingness to cooperate fully with the Programme and to allow it to observe throughout the country the equitable distribution of humanitarian supplies imported under this distribution plan. To this end the UN personnel working in the Programme will enjoy unrestricted movement in connection with the performance of their functions and the possibility of receiving what facilitates their functions in accordance with paragraph 44 of the MOU.

Table 1.
Allocations for sectoral activities covered by the Distribution Plan
DP IX.

Sector/Activity	Allocations in US $ million (Country wide)*	Allocations for Dihouk, Erbil, Suleimaniyeh (US $ million)
Food**	1275.00	184.00
Food Handling Food supporting supplies of equipment/spare parts for food supply, goods transportation/trucks/standardization and quality control laboratories.	209.33	1.33
Housing	342.00	0.00
Medicines and Medical Supplies	300.00	40.00
Electricity	582.50	102.50
Agriculture		
Agriculture	350.69	89.74
Irrigation	171.00	0.00
Education		
Primary, Secondary Education	153.02	62.02
Higher Education	130.38	57.88
Transport and Communication/Rehabilitation of Railway Network	440.40	60.00
WATSAN	79.48	79.48
GEWS	262.50	0.00
BWSA	60.00	0.00
Settlement Rehabilitation	82.00	82.00
Mine Related Activities	10.00	10.00
Nutrition	19.35	19.35
Health Rehabilitation	100.73	100.73
Special Allocation***	387.37	0.00
Sub Total	4955.75	889.03
Oil	600.00	
Grand Total****	5555.75	

* The estimated allocations by sector constitute indicative figures to give an order of magnitude of intended use of resources. The actual amounts will depend on market prices at the time of procurement.

** The daily food ration will provide 2472 kcal, 60.20 g of protein, 64.90 g of fat, 439.40 mg of calcium, and 9.80 g of iron.

The inclusion of milk and weaning food for infants fill an important nutritional need by adding 2 boxes of baby milk and 2 boxes of baby food and 1 kilo of milk for adult per capita.

Includes an allocation of US $ 40 million for importing raw materials for processing into edible oils, soap, and detergent.

*** The special allocation in accordance with SCR 1330 paragraph 12 will be allotted to Housing, US $ 110.68 million; Medicines and Medical Supplies, US $ 110.68 million; Water and Sanitation, US $ 166.01 million.

**** The total allocation for the humanitarian component, including oil spare parts, (Country wide), has been calculated as 72.034% of oil sales, after deducting the pipeline fees, less US $ 25 million.

PART ONE
FOOD SECTOR

Introduction.

19. The Government of Iraq established special rationing system to ensure the distribution of foodstuffs to all Iraqi citizens, Arabs and foreigners residing in Iraq. The system was launched on 1 September 1990 after the imposition of the embargo on Iraq. It is presently applied throughout Iraq. Foodstuffs imported under the MOU are distributed by the Government of Iraq throughout the country except in the three northern governorates, where the United Nations Inter-Agency Programme distributes the food ration to the population on behalf of the Government of Iraq.

The main features of the system.

The main partners of the system are:

- Ministry of Trade / Government of Iraq
- The consumers (citizens of Iraq, Arabs and foreign residents).
- Retail ration agents (private sector).

20. The Ministry of Trade undertakes, on a monthly basis, the distribution of foodstuffs to the retail ration agents in their designated areas, and to ensure their delivery to the household registered with the concerned agents. There are more than 45864 ration agents distributing the food monthly in the 15 governorates and over 10,000 ration agents in the three northern governorates. Each ration card has a number of coupons that correspond to the basic food items involved in the system. The coupons are collected from the households monthly by the retail ration agents. The ration card covers one calendar year.

21. Every Iraqi citizen, Arab and foreign residing in Iraq is entitled by law to obtain "Rationing card " from the Registration Centres. These centres establish lists of families by name, age and number of consumers in each household and send the list to the computer centre. The computer centre sends one copy of each list to the retail ration agent and another copy of the list to food distribution centres.

22. The monthly individual ration under the current system is the same for each individual with regard to commodities, quantity and the related nominal fees. Households are well informed through public and private mass media, on a monthly basis, of their entitlements and on the time of distribution in various distribution centres.

23. The follow-up mechanism to ensure effective and proper implementation of the Rationing System is done through:

- The concerned monitoring offices of the Ministry of Trade.
- Elected People's councils .
- Citizens.

24. The beneficiaries of the system have the right to submit to the Ministry of Trade complaints against the retail ration agent in their designated areas, if they discover that the agent is violating the relevant regulations. Accordingly, the Ministry of Trade circulates a questionnaire among all households registered with the said agent. If the findings show that 51% of the participating households in the process condemn the agent, his agency license will be canceled and a new retail agent will be immediately appointed.

25. The Mechanism of obtaining the rationing card, the required documents and complaints are as contained in the previous distribution plan, paragraphs 19, 20, 21, 22, and 23.

Monitoring of Distribution.

26. The observation of distribution and determining the adequacy of the materials in accordance with the distribution plan will be carried out according to paragraphs 37-38 of the MOU.

Plan for Food Distribution

27. The same mechanism of food distribution stipulated in paragraph 22 of the distribution Plan of Phase VIII shall be followed under this plan.

Arrangements for procurement and Storage.

28. Arrangements for procurement, storage and the transport of food supplies under this plan shall remain as stated in paragraph 24 of the distribution plan of phase VIII.

Location of the independent Inspection Agents.

29. The locations of the independent inspectors will continue according to the current manner under paragraph 25 of the Distribution Plan of Phase VIII.

Warehouses.

30. Specific warehouses shall be designated to store the foodstuffs imported by the Government of Iraq under the plan. The locations of these warehouses will be within the main storage complexes of the Ministry of Trade throughout the governorates of Iraq.

31. In accordance with paragraph 5 of Annex I of the MOU humanitarian supplies destined for distribution in the three northern Governorates shall be delivered by the Programme to warehouse within these Governorates. Warehouses in Mosul and Kirkuk , to which supplies may also be delivered , either by the Governments of Iraq or the Programme, will be under the management of the Programme.

32. Maintenance, Repairs, Rehabilitation and Replacement of equipment required on the basis of priorities for the handling, storage, supply and distribution of food.

33. The Plan is based on the actual need of the food sector according to activities related to the storage and transportation of foodstuffs as well as grain milling and delivering to the consumers in accordance with the ration system and in conformity with the volume of the imported foodstuffs. The following has been taken into consideration in preparing this requirement:

- Repairing and rehabilitating the apparatuses and equipment of grain silos in a manner that ensures the speedy transportation and receiving of the imported grains and supplying them to mills as quickly as required.
- Ensuring the minimum needs of the mills to keep them operating and to ensure the production of the best quality of flour, packing and delivering it to the citizens on time.
- Ensuring new means of transportation to enhance the capacity available in the country for the transportation of grains, flour and foodstuffs as well as their delivery to the citizens according to the determined timings. For example, the provision of trucks and repair of railways.

34. Ensuring the minimum needs for cold storage and other warehouses for the foodstuffs as per their usage, the transportation of the stored goods, keeping them according to the requirements of their storage and facilitating their delivery to the citizens on time.

35. This Plan allocates US $ 209.33 million, including US $ 1.33 million for the three northern governorates, to ensure the procurement of the current needs for this sector as described in the annexes.

36. Under distribution plan IX, the programme will continue its responsibility for the transport, handling, and distribution of food commodities to end users in the three northern governorates. In this respect, WFP undertakes transport of food items from the transit warehouses in Mosul and Kirkuk to WFP managed warehouses in Erbil, Suleimaniyah and Dohuk. Distribution of the rations to the population is arranged through a network of food agents in collaboration with local authorities. In addition, the population data is updated on regular basis.

Table 2
Iraqi population by governorate covered by the Plan.

Governorate	Population	Adults*	Children under one
Ninevah	2,397,317	2,331,469	65,848
Tameem	839,356	817,653	21,703
Baghdad	6,177,841	6,007,608	170,233
Salah Al-Din	925,940	899,273	26,667
Diala	1,210,854	1,179,117	31,737
Anbar	1,205,948	1,169,295	36,653
Babylon	1,342,941	1,308,292	34,649
Kerbala	707,144	688,046	19,098
Najaf	905,087	877,952	27,135
Qadisiya	871,863	847,737	24,126
Muthana	528,084	512,003	16,081
Basrah	1,877,387	1,818,145	59,242
Maysan	798,352	767,621	30,731
Thi-Qar	1,459,337	1,413,230	46,107
Wasit	894,884	871,324	23,560
Dohuk	781,096	762,850	18,246
Erbil	1,280,060	1,256,668	23,392
Suleimaniyah	1,546,139	1,523,068	23,071
Total	25,749,630	25,051,351	698,279

* The estimated population number calculated on the basis of the actual distribution figures of DP 6 taking into consideration the natural monthly growth of 0. 23 %.

Table 3
Consolidated Plan and Categorized List of Foodstuffs, Soaps and Detergents
(Phase IX)

Items	Monthly Ration per capita (kg)	Monthly Requirements (tonnes)	Total needs for six months (tonnes)	Required value for six months (US $)
1. Food, Wheat Flour*	9.000	275,000	1,650,000	340,000,000
Rice	3.000	78,400	472,400	125,000,000
Sugar	2.000	511,000	306,000	104,000,000
Tea	0.200	5,000	30,000	61,000,000
Cooking Oil	1.500	38,000	228,000	160,000,000
Milk Powder	3.600	2,520	15,120	50,000,000
Dried Whole Milk And / Or Cheese	1.000	25,000	150,000	235,000,000
Fortified Weaning Cereal	0.800	560	3,360	7,000,000
Pulses	1.500	39,850	239,000	110,000,000
Iodized Salt	0.150	3,850	23,100	3,000,000
SUBTOTAL				1,195,000,000
2.Soaps And Detergents Soap	0.250	6,500	39,000	35,000,000
Detergents	0.500	13,200	79,2000	45,000,000
SUBTOTAL				80,000,000
GRAND TOTAL				1,275,000,000

Note: These figures represent indicative quantities and values subject to actual distribution and market conditions. The specified sum of each commodity is an indicative one and the total amount shall be used for all items in a balanced way in case of the decrease or increase of the international prices of commodities.

- wheat is to be processed and distributed to beneficiaries, as wheat flour the conversion rate used is 10 kg of wheat to 8.4 kg of wheat flour.
- quantities are calculated on the basis of population figures listed in table 2. The following allowances to retail agents are added to ensure the accurate ration weight is given to customers: 4% for wheat flour, rice and pulses, 2% sugar, cooking oil, salt, and detergents 0.5% for tea.
- no additional quantities are given to the agents for milk powder and soap as these items are distributed by tins and pieces respectively.
- children under one year of age receive only milk powder, fortified weaning cereal, soap and detergents.

Amount allocated for food is sufficient to cover the RFB due to expected lower food prices.

37. An amount of approximately US $ 40 Million from the allocation to the food sector will be used to import raw materials for processing into vegetable oil, soap, and detergent within Iraq.

PART TWO

Plan for Purchase and Distribution of Medicine and Medical Equipment and Supplies

38. In drafting its health policy, the Government of Iraq has followed the guidelines published by the WHO Programme on Essential Drugs.

- The provision of essential and cost-effective medicines to meet the needs of the whole population of Iraq.
- To ensure equitable distribution.
- To ensure the high quality and proper use of medicine.

39. Before August 1990, the rate of expenditure of the Ministry of Health was more than US$ 500 million for the purchase of medicine and medical supplies. There were also recycled stocks which were sufficient for more than one year in addition to the known annual funds of investment for infrastructure. Therefore, the amount allocated by the previous distribution plans does not meet health service needs. The shortage of the medical supplies makes health services scientifically incomplete. The provision of

40. medicine without necessary medical equipment and diagnostic facilities does not permit the provision of essential health services. Thus, there is no full benefit from medicine and medical supplies without medical apparatuses, equipment and other support systems necessary for the rehabilitation of hospitals.

41. As regards medicine and medical supplies, the situation is exceptionally serious. Most of the patients still receive partial treatment. The local production of drugs is still substantially reduced. In 1989, the need for medicine was met with the Ministry of Health spending more than US$ 500 million to purchase imported medicine and medical appliances. Additionally, there were reserve stocks which permitted the continuous flow of medicine.

42. WHO assistance might be required to address emerging health needs that may result from the recent draught situation. The distribution plan will respond to these needs as and when needed. Emphasis can therefore be made on the provision of drugs for emerging health problems.

43. The plan is formulated to meet the needs for medicine with top priority for medicines for chronic diseases. The urgent priorities include other medicines, medical supplies, medical equipment, the local production of drugs and syringes and spare parts as well as other equipment, spare parts and materials for the rehabilitation service equipment in hospitals and health centers such as air conditioning, elevators etc... From the US$ 300 million allocated, 50% will be used for medicines and medical supplies and 50% for the rehabilitation different equipment in hospitals and health centers, of which US$50 million is allocated to the raw materials equipment, spare parts for Samara Drugs Industry (SDI). However, as reported by UN Agencies and other observers, the situation of hospitals and health centers is still of much concern as they are in need for big investments which could not be made available. The report of UN Secretary-General of 29 Nov. 2000 (S/2000/1132) clearly pointed out the current situation of infrastructure of hospitals and health centers which are in need of very large funds. In addition the harsh

economic and social circumstances and the deterioration of the living conditions resulted in an increased mortality and morbidity including malnutrition. US$ 6 million is allocated for supplemental nutrition support for pregnant and lactating mother , by providing high protein biscuits and theuraputic milk which will be distributed on a monthly basis to pregnant mothers in their last trimester, to lactating mothers for three months after birth , and malnourished children through community child care units /MoH in Iraq.

44. In the three northern government of Iraq, a separate allocation of US$ 19.35 million has been allocated to addressing the nutritional needs of the population in these governorates. For phase IX, the programme will continue to aim toward ensuring early detection of growth faltering for five children under five years 'age in order to curb
Protein-energy malnutrition at its onset, and to reduce by 5per cent the rate of prevalence of chronic protein energy malnutrition among children under three years of age. With support from village volunteers and community childcare units, it is intended to establish appropriate health and nutrition measures and improve infant feeding practices at growth monitoring unit, nutrition rehabilitation centers, and homes. It will also strengthen the quality of monitoring support, and comprehensive integrated staff training in growth monitoring unit and community child care unit.

45. Under distribution plan IX, the ongoing Supplementary Feeding Programme in the three northern governorates will assist an approximate caseload of 250.000 beneficiaries including malnourished children, pregnant and lactating mothers, and persons in need at social institutions and hospitals. Furthermore, an expansion of the School Feeding Project will cover about 650.000 primary school children throughout the three governorates. Food security activities are currently under revision by the independent review mission, with projects to be reformulated in accordance their findings, and recommendations

46. The Plan aims at the provision of high quality and low-cost medicine which meet the needs of the whole population of Iraq. Up to date medical equipment, such as cardiac monitors, ECG machines, CAT Scans and MRI, medical and surgical appliances, diagnosis equipment and vaccines are required. Among other priorities that require an urgent attention within the framework of the Plan, are the provision of pesticides, insecticides, for domestic use the provision of field vehicles to ensure communication within the health network and vehicles to transport medicine and medical equipment. It should be stressed that the public health sector cannot be improved by the provision of medicine and medical appliances only. The infrastructure of hospitals, medical centers and warehouses is in need of rehabilitation through the provision of spare parts and replacement equipment in addition to physical repairs. Furthermore, the provisions of 400 ambulances for the health services are basic and urgently needed to improve public health services.

47. The heath situation in the three northern governorate has begun to improve with respect to health services As a result of planned activities and program implementation to date no outbreak of viral cholera took place in the three governorate during the summer of 2000 despite the drought . in the depth discussions and consultations are underway to plan for th re-orientation of the function of the health centers so as to provide comprehensive services to the public , including curative , preventive , promotional , and re-rehabilitative health care . Most old and obsolete medical equipment in hospitals has been replaced . This has contributed to

better diagnostic and curative medical services for the sick. Although there are still some shortages of certain drugs due to the limited quantities received form Kimadia , there was during phase VIII a large inflow of drugs medical supplies to the three northern governorates .

48. Several hospitals and related health facilities have been renovated and re-furnished to meet the present needs of the health services . A large number of items for water quality control laboratories have been received and installed . Three central water quality control laboratories and five satellite laboratories are functioning well in the three northern governorates .All the technical staff in these laboratories have received training on the bacteriological and chemical analyses needed for the control of drinking water .

49. There is a need to improve the planning of the health services by local health authorities , and to enhance capabilities at primary , secondary , and tertiary health service levels .

50. For phase IX , US$ 40 million has been allocated for the provision of medicines and medical supplies and US$ 100.73 million for projects under the component of "health repairs". Two new projects have been introduced . The first projects relates to the control of non-communiable diseases , focusing on diabetes , cardio- vascular diseases , cancer , and disabilities . The second project is for vector control.

51. To strengthen the technical and administrative capacity of the program , and to enable the Organization to implement increased health sector activities , additional national and international staff will be recruited under the ESD (2.2 per cent) account . Support will be given to local health institutions to develop the skills of health sector personal through training and workshops , and by arrangements with health facilities in Baghdad .

52. In January 2001 development of the profiles for all the health facilities in the northern governorates commenced . The project is expected to be completed by the end of June 2001 . The output will be a "Health Information Profile" which will be very useful to the senior health officials and decision – makers in the identifying priorities for health sector planning .

53. Under previous phases , the program in the three northern governorates gave due attention to preventive health care services to achieve accelerated progress in reducing maternal and child mortality in the region . The strategy of the program was to prevent illnesses through proper nutrition including breastfeeding , immunization , encouraging families to apply proper health and hygiene practices , and gender disparity reduction . In phase IX , funds will be used to incorporate into the primary health system a program of early detection of childhood disabilities , and to further strengthen the ongoing activities initiated in previous phases to support immunization and primary healthy care .activities . Emphasis will be given to improving the quality of maternal health services and of training , expanding school health and sanitation activities , and continuing work in an integrated fashion on all relevant health programs .

54. Child protection projects under phase IX will continue to improve the conceptual understanding of child rights and child protection through provision of technical assistance at various levels of administration and program implementation . Until the local capacity has been adequately strengthened , the program will continue working with local institutions while redirecting activities towards a child rights perspective. It is anticipated that these activities

will result in expanded availability of services outside urban areas, and in a plan of action for child protection . The continued provision of supplies and rehabilitation of infrastructure will complement the above strategies .

Sub-Sectors

55. Given the nature of the health care sector, priorities for individual items cannot be set without discriminating between patients. Purchase orders for essential drugs, medical supplies, equipment and support items will however be issued in accordance with the general priorities emerging in the health sector and in consideration of projected stock shortages. Special priority items or changes in priority or complementarily will be communicated through the Permanent Representative.

a. Medicine and Medical supplies: The objective pursued under the Plan is to make available needed medicine and medical supplies to health care providers throughout Iraq. The Ministry of Health will give focus to those items in the annexes, which are of general use in order to ensure a continuous flow of essential items to health facilities. However, for better efficiency and cost savings, US$ 70 million will be allocated to rehabilitate the local production capacity for disposable syringes and drugs which require import of spare parts, raw materials and new equipment for the plants.(SDI & ACAI)

b. Rehabilitation of Health Facilities: It is estimated that approximately 50% of the medical equipment is obsolete and/or un-repairable there by requiring replacement. However, given the limitations of funds only critical equipment for medical care and diagnostic purposes will be procured. The import of spare parts is to effect repair of equipment that can still be used. The overall objective of these measures is to improve the quality of care and hence add to the benefit expected from increased availability of medicine and medical supplies. Additionally health infrastructure rehabilitation is to improve general working conditions and provide better and acceptable hospital conditions for patients. This would be achieved through the import of spare parts and some equipment for hospital engineering such as air-conditioning, heating and elevators. In addition fork lifts, trucks and spare parts will be imported to facilitate distributions of supplies. Items listed for logistical, information processing and communications support is considered critical for an efficient distribution and inventory management system.

c. Quality Control Laboratories: Given the importance of this sub-sector allocations will be made to provide medical equipment to facilitate timely quality control testing as well as to allow for effecting all tests required by Iraqi regulations.

.In accordance with the MOU and the distribution plan, in the three northern governorates, the Program will be responsible for the distribution of medical supplies and medical equipment as well as for infrastructure rehabilitation. The Program shall ensure that the needs determined by health sector are compatible with the basic needs of these governorates.

Plan Components

56. The components of the plan composed of the estimation of needs, the distribution, procedures for regulation and criteria for importation and storage will remain as contained in the first distribution plan, paragraph 43.

57. In accordance with paragraph 39 of the MOU, the Government of Iraq shall provide the Program with detailed information about the delivery of appliances and equipment to their locations in order to facilitate and ensure monitoring of their use. The Program will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

Table-4

Criteria for distribution of Ambulances *

Serial no.	Governorates	Number of ambulances
1.	Nineveh	28
2.	Tameem	12
3.	Baghdad	120
4.	Salah Al-Din	16
5.	Diala	16
6.	Anbar	20
7.	Babylon	16
8.	Kerbala	12
9.	Najaf	12
10.	Qadissiyiah	12
11.	Muthana	12
12.	Basrah	32
13.	Misan	16
14.	Thi-Qar	16
15.	Wassit	12
16.	Dohuk	12
17.	Erbil	16
18.	Suleimaniyah	20
Total		400

* Distribution: two ambulance / 100.000 population.

PART THREE
PLAN OF EQUIPMENT PURCHASE FOR WATER AND SANITATION SECTOR

58. Deterioration in this sector has manifested itself seriously in the decrease in quantities of potable water and in inadequate sanitation for the population, both of which have contributed to sharp increase in the incidence of water–borne diseases in the whole country . With the drastic deterioration in this sector during the past nine years, a survey recently undertaken by UNICEF revealed that the water coverage has gone down to an average of 41 % in all rural areas. On the other hand, the per capita share of water has gone down to 218 litres / day in Baghdad, 138 litres/day in other urban areas and 91 litres / day in served rural areas . This deterioration is related to the acute need for new plants the poor functioning of most of the existing water treatment plants, lack of spare parts and equipment , the poor status of the water distribution network, and electrical power cuts of up to 10 hours per day. Water quality results, reported by MOH and WHO, have shown a high contamination percentage of water samples. On the other hand and while the turbidity of water reaching the population should not exceed 1 Nephelometric Turbidity Unit (NTU) as set by Iraqi standards, more than 70 % of the water currently served is of a turbidity exceeding 10 NTU.

59. Despite the identification of the deteriorated situation of the sector of potable water and sanitation by the reports of UN agencies and the report of the UN Secretary-General of 18 May 1999 (S/1999/573), which clarified the actual situation of the projects and the minimum requires needs for maintaining their operation, deterioration continues, due to the limited sums allocated for this sector in the previous distribution plants, the delay in the arrival of supplies , mainly due to complicated process for S.C. approval as well as the nature of these supplies which require no less than six months for their manufacture and shipment.

60. Sector Objective and Strategies. The overall objectives of the Water and Sanitation Sector in Iraq are :

- To provide sufficient quantity of potable water to the population.
- To dispose, hygienically, of all kinds of waste (solid and liquid).

To meet the above objectives three subsequent planning stages are to be followed:

- Stage I: Rehabilitate the existing system to enhance efficiency and improved performance as well as quality . The estimated cost of this stage is US $ 700 million.

- Stage II: Fill in the gap to reach universal accessibility of service where by the under-served and the unserved will be covered.

- Stage III: Increase the level of service to meet the normal growth of the population.

The purchase strategy followed in preparing the three subsequent distribution plans of SCR.

61. The production of potable water in 14 governorates is 1200 million cubic metre / year. The design capacity of Baghdad is 850 million cubic metre/year. As the requirements determined in the previous distribution plans, have not arrived in Iraq yet, the current estimated capacity of these facilities is 30 % less than their design capacity. The water system in centre / south Iraq is composed of 218 water treatment plant, 1191 compact water unit, 51 boosting station and thousands of kilometres of water supply pipes.

62. In sanitation, the situation is even worse. None of the 13 sewage treatment plants in the country is functioning properly, and raw sewage is disposed directly into rivers and causing contamination. The sewage collection , and rainfall collection systems which are composed of 250 vertical sewage pumping stations and more than 1.000 sewage submersible pumping station are all malfunctioning and in desperate shape , because of the deteriorating status of the network , and the lack of pumps, spares and other supplies and mainly due to disability to construct new treatment plants and net work to face the population growth Other areas where septic tanks and cesspools are utilized for sewage disposal are also facing enormous problems due to the high water table and the breakdown of the fleet of cesspool emptiers. Flooded septic tanks are flooding residential areas and causing contamination.

63. The current situation necessitates much attention to this sector , due to its negative effects on public health , environment and citizens, particularly children and women . This requires the allocation of US $ 401.98 million in the plan to meet the urgent humanitarian needs in this sector according to the details contained in the annexes, US $ 60 million to Baghdad and US $ 262.50 million to the districts surrounding Baghdad and other 14 governorates. US $ 79.48 million will be allocated to the three northern governorates.

64. The spare parts and equipment required for this sector are described in the annexes. The proposed DP has some changes in the purchase policy. Priority continues to be given to the purchase of water purification chemicals and some of the specific urgent required supplies in specific water treatment plants not only for Baghdad Municipality but also to the General Establishment for Water and Sewerage. In order to address the rehabilitation needs of large water and sewerage treatment plants in a comprehensive manner, turnkey projects of the type presently implemented in the electricity sector will be introduced.

65. There will be a focus on improving water services to under-served or unserved rural population by the purchase of 400 compact water treatment plants. More attention is being given to sanitation by the purchase of sewage pumps, cesspool emptiers, sewer jetting units, sewers cleaning equipment and garbage collectors. As a second priority, focus will be given to the purchase of supplies to water treatment plants (pumps, circuit breakers, starters, and motors) and also supplies for incomplete water treatment plant meant to serve unsaved population and whose civil works are 60-90% completed. Also, focus will be given to the purchase of some ductile and UPVC pipes for the water supply network. There will also be focus on water quality control through the purchase of required supplies. The water tankers, which are included in DP-VI, should be used to face needs incurred by the current drought situation. On a third priority basis, water tankers to provide services to unserved areas and some support vehicles (trailers and loaders) will be purchased.

66. In urban areas the apparent ready access to water and sanitation systems tends to conceal the fact that the quality of potable water is highly variable and very dependent on a reliable and continuous electricity supply. The latter ensures that pressures remain sufficient to avoid drawing polluted water back into the main supply pipes. In addition many of the pumps are well beyond their useful working life, with the result that the supply of water o households is by no means guaranteed even where systems are nominally in place. For rural areas, recent surveys indicate that water supply coverage is under 50%, rather less than had originally been thought, and the population in these areas who had access to sanitary latrines is much less at only 16%.

67. A particular problem in this sector is the widespread deterioration of the vehicle sanitation fleet, which is used for regular removal of both liquid and solid wastes. The much-reduced capacity of this fleet is compromising both the health and environmental situations, which will become even worse over the coming summer unless corrective action is taken before then. Computers that are ordered as part of DP-VI should be used to computerize the management of supplies in the major warehouses in order to alleviate some of the present bottlenecks in the process of distribution of supplies in the Water and Sanitation sector

68. The acquisition of more vehicles and repair of the existing fleet is therefore identified as a top priority, to which the sum of US $ 25 million will be allocated. The next priority will be for rural water and sanitation for an amount of US $ 40 million, and thereafter US $ 40 million for urban sanitation and finally US $ 20 million for urban water supply.

69. In the three northern governorates, the urban water and sanitation projects will focus on four major areas of intervention: provision of adequate quantities of water treatment chemicals and related equipment to keep contamination below the desired level; replacement/repair and extension of distribution networks to tackle water leakage and ensure adequate pressure for a more efficient water distribution; construction of storm water drains to prevent water logging; and proper collection and disposal of solid waste. Rural water and sanitation projects will continue toward the objective of increasing access to safe water and sanitary facilities through development of new projects and rehabilitation/repair of the old ones so as to ultimately achieve the goal of universal access to safe water and sanitary means of excreta disposal. This includes provision of safe water to people during emergencies such as the drought.

70. Hygiene education projects aim to support social mobilization and hygiene education for proper usage of water and sanitation facilities and to bring about a behavioral change in hygiene practices with the ultimate goal of bringing down water and sanitation related diseases. Under Phase IX, IEC materials will be developed to suit the local socio-cultural ethos for training related to social mobilization and promotion of improved sanitary practices, and to generate awareness of hygiene practices using various communication channels with a focus on schools. Total budget allocation for water and environmental sanitation is US $ 79.48 million.

71. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to make sure of this. The Programme will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

PART FOUR
PLAN OF SUPPLIES AND EQUIPMENT FOR ELECTRICITY SECTOR

72. The deficit in electric power as result of damage inflicted upon this vital sector and non-availability of spare parts and equipment for maintenance, is a serious problem throughout the country. Although, the total allocation under previous phases increased substantially, the network continues to deteriorate for two main reasons: the scale of inputs received is significantly low in comparison with actual needs, and the large number of contracts on hold. This fact has been confirmed by various UN reports and in particular, the latest report of the UN Secretary-General of March 2000. The situation was compounded by a severe regional drought in the last two consecutive years which has reduced the power generation from hydro units by more than 300 MW. The deficit in power was 1600 MW, 1700 MW and 1800 MW in the years 1997, 1998 and 1999 respectively, and the corresponding load demand was 5300 MW, 5500 MW and 5700 MW respectively. During a country wide load survey in Aug'1999, the load demand was 6200 MW and the deficit in power based on the load demand was 2300 MW. In year 2000 , During Auguset the load demand recorded was 6120 MW , the deficit in power was 2402 MW. From the figures it is evident that the power generation deficit has been steadily increasing, as the power generation is not commensurate with the load demand. The details of installed capacity, available capacity, load demand and deficit in power are shown Annex-I/ Electricity. Further, forced outages of large generating units in the network result either in cascade tripping or isolation of units from the network to prevent black -outs. This causes unscheduled and prolonged power cuts to the consumers, including essential services such as hospitals, water plants, sewage plants, wheat milling plants, irrigation and drainage pumping stations, schools and universities and other social services facilities. As also mentioned in the report of the UN Secretary-General of 10 March 2000 (S/2000/208), reliable power generation underpins health-and nutrition- related initiatives in all sectors.

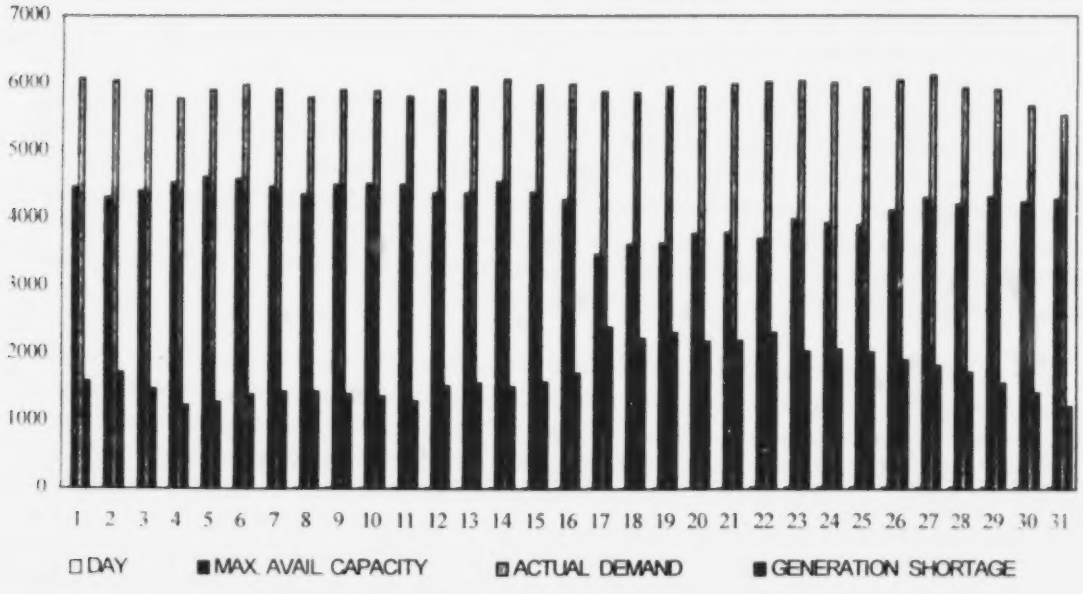
73. To address urgent needs, a sum of US$ 480 million is allocated in this plan. The details of allocations are shown in annex-2/electricity. As there is a severe shortage of power, the Plan concentrates on increasing generation by installing new gas turbine generation units and carrying out rehabilitation and repairs to some of the larger thermal, gas turbine and hydro-electric power generation stations throughout country. The Plan also emphasizes the need to rehabilitate on transmission and distribution networks in different parts of the country and reconnection of the northern governorates with the National grid.

74. It is proposed to install new gas turbine units alongside the existing, Baiji, Shamal, Mussayeb, Nassiriya, Najaf , New Rumaila , Baghdad East and other gas turbine power stations. It is decided to get advantage of utilizing the gas turbine generating units as combined cycle units. The estimated cost of new gas turbine units is US$ 200 million and these units are expected to add around 300 MW. A sum of US$ 50 million has been allocated for additional rehabilitation of the gas turbine generating units at Khor Al-Zubair, Najef, and maintenance of other gas turbine power stations. These gas turbine units after rehabilitation are expected to add about 50 MW. The thermal generating units in Baiji, Mussaib, Daura, Baghdad south and other power stations are planned for rehabilitation on a turn-key project basis, possibly with the original equipment manufacturers, including technical services; the estimated cost is around US$ 100 million. After completion of rehabilitation, the units are expected to add 160 MW. An

amount of US$ 35 million is allocated for maintenance and repair of hydro- generation units in Qadissia and Saddam power plants and the new hydro power plants in Al-Adhaim and Sinhareeb. This amount is meant for emergency repairs to ensure that the system remains operational and sustains the present level of generation, but no increase in generation is anticipated in the plan. Although the transmission and distribution networks are in urgent need of rehabilitation, within the limited available funds a sum of US$ 80 million is allocated for the distribution network and US$ 30 million for the transmission network. To start the construction of power plants in Yousifiya, Al-Shemal , Salah El-Deen , Al-Anbar , extend the Nassiriya, and a new power station in AL- Zubaydiah a sum of US$ 300 million is allocated.

75. The above mentioned figures could vary according to the urgency of the system requirements prevailing at the time of ordering. The Commission of Electricity is fully aware that the total sum of these priority projects exceeds the allocation expected for this sector. However, it should be stressed that the above figures are indicative for planning purposes and are a reflection of the scale of resources required to implement the above mentioned projects.

ANNEX I
Phase IX
(Electricity Sector)
AVAILABLE CAPACITY , DEMAND , GENERATION SHORTAGE AND TOTAL INSTALLED CAPACITY OF THE SYSTEM DURING AUGUST 2000



INSTALLED CAPACITY = 8090 MW

ANNEX 2

AVAILABLE CAPACITY , DEMAND , GENERATION SHORTAGE AND TOTAL INSTALLED CAPACITY OF THE SYSTEM DURING AUGUST 2000

DAY	MAX. AVAIL. CAPACITY	ACTUAL DEMAND	GENERATION SHORTAGE
1	4470	6067	1597
2	4319	6044	1725
3	4412	5893	1481
4	4523	5765	1244
5	4616	5903	1287
6	4580	5973	1393
7	4470	5917	1447
8	4355	5791	1436
9	4493	5897	1404
10	4513	5879	1366
11	4504	5799	1295
12	4372	5894	1522
13	4371	5943	1572
14	4539	6053	1514
15	4381	5973	1592
16	4275	5986	1711
17	3470	5872	2402
18	3619	5853	2234
19	3628	5942	2314
20	3769	5948	2179
21	3785	5991	2206
22	3700	6017	2317
23	3981	6029	2048
24	3925	6003	2078
25	3904	5933	2029
26	4120	6037	1917
27	4293	6120	1827
28	4202	5924	1722
29	4321	5896	1575
30	4240	5664	1424
31	4285	5514	1229

76. The total phase IX allocation to the electricity sector in the three northern governorates is US $102.5 million.

77. In the three northern governorates, plans are in place to continue with the ongoing efforts to rehabilitate both the distribution and transmission networks. Plans include arrangements for reconnecting to the national grid. In Stage 3 of the distribution network rehabilitation projects in Erbil and Dohuk has been planned with a budget of US $ 25 million and another US $ 10 million has been allocated towards Stage 4 of the project to rehabilitate substations in Suleimaniyah.

78. Beyond the above rehabilitation efforts, US $ 10 million will be used in the area of mini and micro hydro to assist in the re-establishment of a hydrometric network and the implementation of a limited number of mini hydro schemes.

79. An "information, communication and education project" is being launched in the area of demand-side management to ensure that efforts to maximize power supply are not countered by unsustainable consumer practices.

80. Another area of focus under phase IX is that of system communications. Plans to refurbish the existing power line carrier communication systems between the hydro power stations and major substations in Erbil and Suleimaniyah are in place together with the hiring of an international SCADA design consultant. Efforts under phase IX in the area of power system communications are only an initial step in addressing these requirements.

81. A strategic reserve has been built into this phase to address the likely short-term emergency requirements arising from the drought. Specific responses will continued to be examined in light of ongoing winter rainfall, and the implementation lead times involved.

PART FIVE
PLAN OF PROCUREMENT AND DISTRIBUTION FOR THE AGRICULTURAL SECTOR.

Introduction.

82. The agricultural sector continues to play a leading role in providing a substantial portion of the population's nutrition needs. In spite of the various constraints resulting from the sanctions, which in turn brought a total halt to systematic development of the sector, the agriculture sector is deemed to continue to provide the population with the supplementary food requirements.

83. The sector's cumulative and growing requirements are beyond the meager resources available through the Oil for Food Programme. Consequently, the plan strategies are still oriented towards halting, as much as the possible, the sector's deterioration and increasing the sector's contribution to food availability, giving due consideration to the additional constraints caused by the severe drought.

84. Agricultural production involves many complex and interrelated biological processes. This dictates that all interventions have to be addressed in a well integrated manner and approved as a package in order to achieve the targeted goals. Provision of the needed basic inputs will strengthen the sector and improve the availability of agricultural products at current or even lower prices. The overall objective must be to address the problem of the supply of these urgent needs in order to stimulate domestic production of food items and thus offer a local available supplement for the food basket.

Activities Envisaged By Sub-sector.

Enhanced Domestic Food Production.

Production of field crops, vegetables and fruits

85. Agricultural production in Iraq is highly mechanized even at the small farmer level and almost one half of the area under crop production lies within the irrigated sector. The overall crop production requirements include proper soil preparation, good quality seeds, and harvesting with minimum losses. Any attempt aiming at maintaining or increasing the level of the crop productivity, therefore should address all those factors.
Failure to adequately respond to each of these inter-related activities, will seriously affect the achievement of the eventual crop production level. It is therefore essential, that appropriate inputs should be available for each activity in a timely manner. Indeed, timeliness is vital to the success of each activity. The time frame often being restricted to a mere day or two, if the resulting yields are not to be lowered.

86. Prior to the imposition of sanctions, it was estimated that the total number of agricultural tractors accounted to more than 40,000, working on the 4 million ha of arable land. This represents very approximately one tractor for 100 ha under cultivation. However, currently a large number of agricultural machinery have surpassed their useful life expectancy of 15 years. Agricultural production is therefore seriously affected by this situation. It is of paramount

importance to continue addressing the issue of gradual replacement of the entire tractors, combine harvesters, and other agricultural equipment and implements.

87. In partial response to the urgent need for remedial measures in this regard, the plan includes the proposed acquisition of 3,000 tractors of different types. It is estimated that this quantity will enable adequate and timely soil preparation, seeding, weed control and fertilizer application for an area comprising approximately 450,000 ha which represents 11% of the total arable area (see Annex AGRI-1A). In order to overhaul some of the tractors already available in the country, the plan also includes the provision of spare parts for the different types of existing tractors. (see Annex) particular problem of soil preparation will be addressed through the proposed importation of 1,000 mounted moldboard ploughs together with spare parts amounting to 5% of the ploughs' value, as well as 1000 rotary tillers (see Annex AGRI 7-Appendix1).

88. Timely weed and pest control measures could only be undertaken if adequate numbers of agricultural sprayers are available. The plan therefore intends to provide 6,000 mounted and wheel-barrow sprayers together with 5,000 knapsack sprayers. (see Annex AGRI-1A).

89. Due to the acute shortage of operational harvesting equipment, post harvest losses are continually increasing. In many cases, the farmer has been forced to revert to manual harvesting methods which invoke high losses. In other cases, the poor conditions of the mechanical harvesters also increases harvest losses. It has been estimated that overall post harvest losses may at present, have risen to 20 or 25 % of the potential crop yield. The plan proposes to import 200 combine harvesters together with 250 pieces, of walking reapers , 100 corn huskers and 250 threshing machines, plus assorted spare parts, in attempt to improve mechanical harvesting (see Annexes AGRI-1A and Appendix 2).

90. Table 5 shows the allocation of the planned tractors to the 15 Governorates. This allocation is based on the area under cultivation and the number of available and operational tractors in each governorate. A similar procedure will be followed at District level. At farm level, all the farmers are eligible to apply to be an end user of a tractor.

91. Rehabilitation of seed factories is also addressed in the DP. The plan includes spare parts and essential equipment needed for seed processing . (see Annex AGRI-1D)

92. The plan also considered an expansion in the storage capacity of 11 maize threshing and drying plants in the central and southern parts of the country. In this regard the plan will import 20 silos for the storage of the maize produced during the rainy seasons, which coincide with the maize harvesting seasons (see Annex AGRI-1).

93. The plan included provision of 5 maize processing plants for threshing and drying maize. This is in line with the Government policy towards the encouragement of animal production in the country through supply of required animal feed.

94. The Government took several measures, to help the expansion of maize production. Currently, the cultivated area under maize reached 150,000 ha. The existing maize processing capacity cannot handle the locally produced maize. The requested plants will add more than 1000 Mt of processing capacity. This will enable the absorption of the local maize products. The

plants will be installed in Babylon, Baghdad, Waist, El-Tameem and Salad El-Din. The governorates are selected on the basis of size of land under maize production. (Annex)

Table 5
Distribution Plan For Tractors – Harvesters – Irrigation Pumps – Sprayers

Governorate	Tractors	Combine Harvesters	Irrigation Pumps (with engine)	Irrigation Pumps (without engine)	Irrigation pumps (for deep well)	(100) lt Sprayers	(400-600) lt Sprayers	(14-20) lt Knap-Sack Sprayers
Ninevah	450	37	1440	400	500	680	34	180
Tameem	362	23	1440	400	500	550	56	280
Salahdeen	274	16	1800	500	1000	500	118	550
Dyala	240	16	1800	500	300	500	116	550
Baghdad	140	11	990	275	200	500	74	360
Anbar	62	3	720	200	600	150	54	270
Babil	162	12	900	250	200	250	84	420
Kerbala	26	2	540	150	200	100	40	200
Najaf	218	10	900	250	300	250	74	360
Qadisya	252	16	1620	450	300	200	68	330
Muthanna	80	3	720	200	200	100	14	100
Thi-Qar	146	10	1080	300	300	120	36	200
Waist	388	26	1800	500	200	500	136	600
Maysan	176	13	1350	375	200	250	24	150
Basrah	24	2	900	250	1000	350	72	450
Total	3000	200	15000	5000	6000	5000	1000	5000

* The distribution allocations are based on cropping pattern and cultivated area. Final distribution will be decided in proportion to the above table but determined by physical arrival of the consignments.

95. Agricultural authorities will select beneficiaries on the basis of the following criteria: the farm size (area), the farmer's production index and the current state of old tractors on the farm. As the amount of mechanization equipment will fall short of present overall needs, priority will be given to those end users who have not benefited from similar distributions, either prior to or after the imposition of sanctions.